

Adopted by the Board on April 6, 2005
Penalty amendment adopted 6/8/05

New Jersey Board of Public Utilities
Code of Ethics

**NEW JERSEY BOARD OF PUBLIC UTILITIES
CODE OF ETHICS**

TABLE OF CONTENTS

<i>I. INTRODUCTION</i>	5
A. Authority	5
B. Purpose	5
C. Application	5
D. Questions and Interpretation Assistance	6
E. Definitions	6
F. Violations	8
1. Enforcement	8
2. Appeal Process	9
a. Determinations of a State Agency or Ethics Liaison Officer	9
3. Penalties Available to the Executive Commission	9
a. For General Violations	9
b. For Willful and Continuous Violations	9
G. Notice of Additional Ethical Standards	9
<i>II. CONDUCT</i>	10
A. A Commissioner or employee shall not	10
B. When Recusal is Required	10
C. Recusal Process	11
<i>III. ATTENDANCE AT EVENTS and ACCEPTANCE OF HONORARIA</i>	12
A. Attendance at an events sponsored by interested parties	12
1. Prior Written Approval Required	12
2. Ethics Event Attendance Approval Form	12
a. Consideration for Approval of Request	12
b. Signatures Required	13
c. Exceptions to Ethics Attendance Event Form Filing Procedure	13
d. Multiple Board Employees Attending One Event	13
e. Scheduled Multiple or Repeating Events related to a Specific Committee or Task Force.	15
3. Payment of Expenses-Generally	15
4. Payment of Expenses - "Speaker Exception"	15
5. Actual or Appearance of a Conflict of Interest	16
6. Use of Personal Funds	16

7.	Prohibition Against the Acceptance of Honoraria or Fees	16
8.	Procedure for Filing Approvals	16
B.	Events Sponsored by Entities Other Than Interested Parties	16
1.	Prior Written Approval Required	17
2.	Payment of Expenses	17
3.	Acceptance of Honoraria or Fees	18
4.	Use of Official Title for Fundraising	18
5.	Entertainment Collateral to the Event	18
IV.	<i>GIFTS</i>	18
A.	General Prohibition Against Acceptance of “Gifts”	18
B.	Disclosure of Solicitation, Offer or Receipt of Thing of Value Required	18
1.	From an interested party	18
2.	From an entity other than an interested party	19
C.	Beverages and Entertainment	20
D.	Retirement Gifts	20
1.	General Limitations	20
2.	Donations to Tax-Exempt Organizations	21
V.	<i>USE OF BOARD FACILITIES, PERSONNEL AND EQUIPMENT</i>	21
VI.	<i>USE OF OFFICIAL POSITION OR INFORMATION</i>	21
VII.	<i>POST-EMPLOYMENT RESTRICTIONS</i>	21
A.	Continued Involvement in Board Matters After Employment	21
B.	Appearance Before the Board as a Representative or Expert Witness (N.J.S.A. 14:1-3.3)	22
1.	Matters in Which Former Commissioner or Employee was Previously Active	22
2.	Other Matters	22
VIII.	<i>SECONDARY EMPLOYMENT</i>	22
A.	General Restrictions on Secondary Employment	22
1.	Commissioners	22
2.	Employees	22
3.	Commissioners or Employees	23
B.	Annual Reporting Requirement	23
1.	Commissioners	23
2.	Employees of the Board	23
C.	Special Reporting Requirements for Employees of the Board Engaged in Businesses, Professions, Trades and Occupations Regulated by the State	23
IX.	<i>OUTSIDE INTERESTS AND ACTIVITIES AND ACCEPTANCE OF COMPENSATION FOR PUBLISHED WORKS</i>	23
A.	General Prohibition Against Outside Interests/Associations	23
1.	Creating Conflicts	24
B.	Interests in and Dealings with Public Utilities and Other Regulated Entities	24

1. General Prohibition	24
2. Exception for Personal Essential Services	24
3. Specific Prohibitions Against Financial Holdings	24
a. Divestiture Required	24
b. Consideration of Blind Trust	25
4. Representation Before and Contracts with the State	25
a. General Restriction to Representation of State	25
b. Exceptions to General Restriction	25
5. Political Activities	26
a. Use of Official Position and Authority Restricted	26
b. Candidacy for Elected Office	26
6. Casino-Related Restriction	26
a. General Restriction	26
b. Limited Special Exception to General Prohibition	27
c. Post Employment Restriction	27
d. Acceptance of Complimentary Service or Discounts	27
e. Casino-Related Penalties	27
7. Acceptance of Compensation for Published Works	28
a. Publications	28
i. Prior Written Notice Required	28

New Jersey Board of Public Utilities Code of Ethics

I. INTRODUCTION

A. Authority

In accordance with *N.J.S.A. 52:13D-23 et seq.*, the Board of Public Utilities (Board) hereby promulgates this Code of Ethics (Code) to govern the conduct of all Board of Public Utilities' Commissioners and employees.

B. Purpose

Every position of employment within the Board involves a degree of public trust and responsibility. To maintain the public's confidence in the Board and to ensure effective regulation of the public utilities conducting business within the State and the development of only appropriate relations between and among the Board, those utilities and other interested parties, it is imperative that the Commissioners and employees of the Board avoid conduct which is in violation of the public trust or which creates a justifiable impression to the public that such trust is being compromised. [*N.J.S.A. 52:13D-23(e)*] The purpose of this Code is to outline, for the Commissioners and the employees of the Board, the requirements and prohibitions which apply to public employees.

C. Application

This Code is applicable, without exception, to all Board of Public Utilities' Commissioners and employees, whether in "classified" or "unclassified" titles and whether their employment with the Board has been deemed to be "temporary" or "permanent." Adherence to the provisions of this Code is a condition of employment and those provisions shall be deemed to have been accepted by any individual who becomes or who continues to be a member of the Board or its staff. If any section, subsection, paragraph, sentence or other part of this Code is overturned, the remainder of this Code shall be in full force and effect. Modification of the Code shall be confined in its effect to that part of the Code ruled to be unconstitutional or invalid. This Code supersedes all previous Codes of Ethics adopted by the Board.

1. The Code shall be distributed to all Board employees on their first day of employment with the Board by Administration. A written acknowledgement form attached to the Code the employee receives, which states that the employee has received and READ the Code of Ethics, shall be executed within the first week of the date of hire by the new Commissioner or Board employee and returned to the Ethics Liaison Officer.

2. The Code will be available for access by all employees on the Board's Intranet.
3. Once a year Commissioners and their staffs shall attend ethics training provided by the Ethics Liaison Officer or alternative ethics training approved by the Ethics Liaison Officer. Board employees shall attend ethics training provided by the Ethics Liaison Officer, or alternative ethics training approved by the Ethics Liaison Officer, a minimum of once every two years.

D. Questions and Interpretation Assistance

It is recognized that, from time to time, Commissioners and Board employees may have questions of interpretation and judgment, which will arise as they attempt to abide by the provisions of this Code. Such questions and concerns should be discussed with the Board's Ethics Liaison Officer. A Commissioner or Board Employee may also request a formal opinion on any ethics concern or a response to an interpretive question from the State's Executive Commission on Ethical Standards (Executive Commission).

E. Definitions

"Allowable entertainment expenses" means the costs for a guest speaker, incidental music or other ancillary entertainment at any meal at an event, provided they are moderate and not elaborate or excessive.

"Appropriate nonprofit entity" means a specific charity identified on a list of charities approved by the State.

"Interested Party" means:

1. Any person, or employee, representative or agent thereof, who is or may reasonably be anticipated, to be subject to the regulatory, licensing or supervisory authority of the Board of Public Utilities.
2. Any supplier, or employee, representative or agent thereof;
3. Any organization that advocates or represents the position of its members to the Board of Public Utilities; or
4. Any organization a majority of whose members are as described in paragraph 1 through 3 above.

"Person" means any natural person, association, organization, firm, partnership or corporation.

“Personal funds” means funds of a Commissioner or Board employee. It does not include funds that are loaned, advanced, promised or reimbursed to a Commissioner or Board employee for any purpose by an interested party.

“Published work” means any tangible medium of expression, including, but not limited to, literary, pictorial, graphic, sculptural matter, sound recording, or software.

“Reasonable expenditures for travel or subsistence” means commercial travel rates directly to and from an event, food expenses, and lodging expenses provided they are moderate and neither elaborate or expensive.

“State official” means any State officer or employee or special State officer or employee, to wit, any Commissioner or employee of the Board, as defined in the Conflicts of Interest Law, *N.J.S.A.* 52:13D-13(b) and (e).

“Supplier” means any private sector person or person that is providing or is seeking to provide, or may reasonably be expected to provide, goods and/or services to the Board of Public Utilities, including, but not limited to, consultants, vendors and lessors.

“Direct Benefit” means acceptance by a State official from the sponsor of an event or any other person of travel, meals, accommodation, waiver of conference or event fee or any other costs associated with attending the event for which no payment is made by the State but is not intended to mean nominal refreshments such as nonalcoholic beverages and snacks (doughnuts, pastries and cookies).

“Indirect Benefit” means acceptance by a State official from the event sponsor or any other person of reimbursement for costs of travel, meals, accommodation, event fees, or any other costs associated with attending the event for which no reimbursement is made by the State but is not intended to mean nominal refreshments such as nonalcoholic beverages and snacks (doughnuts, pastries and cookies).

“Code” shall mean this Code of Ethics.

“Employee” shall mean any person in a classified, unclassified or appointed position employed by the Board of Public Utilities.

“Entity” shall mean any committee, corporation, partnership, firm or organization.

“Event” means a meeting, conference, seminar, speaking engagement, symposium, training course, ground-breaking, ribbon-cutting, meal, open house, cocktail party, fundraiser, holiday

party, social function, or similar event that takes place away from the State official's work location, is sponsored or co-sponsored by a non-State government source and the invitation for which is extended to the State official because of his or her official position.

"Member of the immediate family" shall mean the spouse, child, parent or sibling residing in the same household as the person in question.

"Relative" means a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, nephew, niece, father-in-law, mother-in-law, daughter-in-law, son-in-law, brother-in-law, sister-in-law, or first cousin, whether in whole or half blood, by marriage adoption or natural relationship, and the spouse of any such person.

"Regulated Entity" shall mean any corporation, partnership firm, organization, association, individual or person which or who's subject to regulation by the Board and any affiliates, subsidiaries, co-adventures or partners thereof or any person or entity acting on behalf of same.

"Event" definition moved into alphabetical order.

"Thing of value" includes, but is not limited to, compensation; money; a stock, bond, note or other investment in an entity; employment, offer of employment; gift; reward; honorarium; favor; goods, service; loan; forgiveness of indebtedness; gratuity; property or real property; labor; fee; commission; contribution; rebate or discount in the price of any thing of value; an automobile or other means of personal transportation; entertainment; **meal**; or any other thing of value offered to or solicited or accepted by a Commissioner or Board employee in connection with his or her employment position.

F. Violations

1. Enforcement

The Executive Commission is responsible for enforcing and interpreting the provisions of New Jersey's Conflicts of Interest Law (*N.J.S.A. 52:13D-12 et. seq.*) which applies to all Commissioners and employees of the Board of Public Utilities. In the course of such enforcement, the Executive Commission has jurisdiction to conduct investigations and to initiate, receive, hear and review complaints concerning violations of the Conflicts of Interest Law or this Code. The Executive Commission is also authorized to render advisory opinions as to whether or not a certain set of facts and circumstances would constitute a violation of the provisions of the Conflict of Interest Law or this Code.

2. Appeal Process

a. Determinations of a State Agency or Ethics Liaison Officer

If a decision is rendered by the Ethics Liaison Officer for the agency, that determination may be appealed to the Executive Commission. It is within the discretion of the Executive Commission to review said determination and affirm, reverse or modify same. (*N.J.A.C. 19:61-2.1*)

3. Penalties Available to the Executive Commission

a. For General Violations

Pursuant to *N.J.S.A. 52:13D-21(i)*, any Commissioner or Board Employee found by the Executive Commission to be guilty of a violation of any provision of this Code shall be fined not less than \$500.00 nor more than \$10,000.00 per violation and may be suspended from his or her office or employment by order of the Executive Commission for up to one year.

b. For Willful and Continuous Violations

If the Executive Commission finds that the conduct of a Commissioner or Board Employee constitutes a willful and continuous disregard of the provisions of the Code, it may order such person removed from his or her office or employment and may further bar such person from holding any public office or employment in this State in any capacity whatsoever for a period not exceeding five years from the date on which he or she was found guilty by the Executive Commission.

G. Notice of Additional Ethical Standards

The New Jersey Conflicts of Interest Law contains specific requirements for the conduct of State employees and penalty provisions to be exercised in the event that those requirements or the requirements of this Code are violated. In order to avoid any activity or association which is or which appears to be in violation of the public trust, the Commissioners and Board employees are advised they are subject to and therefore must familiarize themselves with the New Jersey Conflicts of Interest Law (*N.J.S.A. 52:13D-12 et seq.*) the regulations promulgated by the Executive Commission on Ethical Standards (*N.J.A.C. 19:61-1.1 et seq.*) and all provisions of this Code.

II. CONDUCT

The competitiveness of the regulated utility industry warrants the utmost safeguards be employed by the Board to preserve the public trust. Accordingly, if a relative of a Commissioner or employee has made it known that he/she is engaged in any business with an interested party he/she must notify the Ethics Liaison Officer to determine whether or not he/she must recuse him/herself from participation in matters before the Board. At times it may be appropriate for a Commissioner or employee to recuse him/herself from all matters pertaining to an industry wherein a relative is employed if a sufficient nexus is established between the financial interests of the regulated entity and the functions of the Board.

A. A Commissioner or Board employee shall not:

1. Knowingly act in any way that might reasonably be expected to create an impression among the public that he or she may be engaged in conduct that violates his or her trust as a Commissioner or Board employee.
2. Act in his or her official capacity in any matter in which the Commissioner or employee or any cohabitant or relative, has a direct or indirect financial interest that might reasonably be expected to impair his or her objectivity or independence of judgment on any matter before the Board, or in the exercise of his/her official duties.
3. Commissioners and Board employees shall receive a copy of a list of Prohibited Financial Transactions upon their employment and shall acknowledge receipt of same by executing a written acknowledgment which shall be returned by the employee to the Ethics Liaison Officer. The Ethics Liaison Officer shall keep a copy of the acknowledgements on file. [See also IX. B. 3a, page 22]
4. The Prohibited Financial Transactions List will be available to the Commissioners and all Board employees on the Board's Intranet site.

B. Recusal Required:

1. When a Commissioner or Board employee has a financial interest, direct or indirect, that is incompatible with the discharge of the Commissioner or Board employee's public duties; or
2. When a Commissioner or Board employee has any personal interest, direct or indirect, that is incompatible with the discharge of the Commissioner or Board

employee's public duties.

- (a) An incompatible financial or personal interest includes, but is not limited to, outside employment; a debtor/creditor relationship; a fiduciary relationship; a source of income; any matter pertaining to a relative or cohabitant; a relationship with a person providing funds, goods or services without compensation; any matter pertaining to a business associate or business investment; a matter where the Commissioner or Board employee is an officer of a professional, charitable, educational, non-profit or trade organization which interest might reasonably be expected to impair a Commissioner or Board employee objectivity and independence of judgment in the exercise of his/her official duties or might reasonably be expected to create an impression or suspicion among the public having knowledge of his or her acts that he or she may be engaged in conduct violative of his or her trust as a Commissioner or Board employee. (*N.J.A.C.* 19:61-7.4)
- b) In reviewing the issue of recusal, the Ethics Liaison Officer will consider the position held by the cohabitant or relative employed by the interested party; the position held by the Board employee; and any other factors relevant to the determination whether or not recusal is appropriate.

C. Recusal Process

(1) If a Commissioner or Board employee finds or is advised by agency counsel or the agency Ethics Liaison Officer, that an incompatible financial or personal interest exists on a matter, the Commissioner or Board employee must recuse himself or herself from that matter or seek advice from the Executive Commission on Ethical Standards. The recusal must be absolute, that is, the Commissioner or Board employee must have no involvement with the matter from which he or she has recused himself or herself.

(2) The following procedures must be followed:

- a. To the extent feasible, meeting materials involving a matter from which the Commissioner or Board employee must recuse himself or herself should not be distributed to the Commissioner or Board;
- b. At the subject meeting, the Commissioner or Board employee must place his or her recusal and the reason for such recusal on the record prior to any discussion of the matter; and

- c. The Commissioner or Board employee must leave the room at a non-public portion of the meeting while the matter in question is under discussion.

III. ATTENDANCE AT EVENTS AND ACCEPTANCE OF HONORARIA

A. Attendance at events sponsored by interested parties

1. Prior Written Approval Required

Prior to accepting an invitation to attend any event sponsored by any interested party, i.e. public utility (or any representative thereof), any other entity regulated by the Board (or any representative thereof), or any other interested party (or any representative thereof), doing business with the Board, contemplating doing business with the Board, or whose conduct of business with the Board can be reasonably anticipated, any Commissioner or Board employee shall secure the written approval of the Board President's ethics approval designee, the Board's Ethics Liaison Officer. An ethics event attendance approval form should also be submitted for events sponsored by non-interested parties pursuant to the regulations when the event takes place on state time.

2. Ethics Event Attendance Approval Form

Any Commissioner or Board employee wishing to attend or participate in such an event should fully complete, date, sign and submit to the Ethics Liaison Officer an Ethics Event Attendance Approval Form prior to the event and prior to submitting a travel package for funding approval.

a. Consideration for Approval of Request

Among the items to be considered and/or determined by the Ethics Liaison Officer in reviewing such forms are the following: (a) Who is the event organizer? Are the sponsors different than the organizer? Is the organizer or sponsor an interested party?; (b) What is the purpose of the event?; (c) What other parties are expected to attend or participate in the event?; (d) Is honoraria being offered by the sponsor to the Commissioner or Board employee?; (e) Are the character and value of any such benefit(s) comparable to those being offered to other attendees?; (f) Would a legitimate State purpose be served by attendance/participation?; (g) Would attendance/participation in the event assist the Commissioner or employee in carrying out his or her official duties and support the mission of the Board?; (h) Would attendance/participation in the event create a conflict of interest or the appearance of a conflict of interest pursuant to the Conflicts of Interest Law or applicable Executive Commission on Ethical Standard Guidelines?; (i) Would attendance/participation in the event be in compliance with this Code of Ethics? Would

attendance/ participation in the event create a conflict of time?; (j) Should attendance/participation-related expenses be paid by the Board, the event sponsor(s), the Commissioner or employee?; (k) Has the event been scheduled or is it being held in compliance with a Board Order, established Board Policy or in furtherance of the conditions set forth in a federal or other government grant?

b. Signatures Required

Ethics Event Attendance Approval Forms approved, signed and dated by the Ethics Liaison Officer shall be forwarded to the Chief Counsel (or his or her designee) for review and counter-signature before being returned to the Commissioner or Board employee who prepared it.

c. Exceptions to Ethics Attendance Event Form Filing Procedure:

Due to the unique functions of the Board and the required field presence of its employees, the Ethics Event Attendance Approval Form filing procedures established above are not required in the following circumstances:

- ? when an event is held in furtherance of a Board order;
- ? in furtherance of the requirements of a grant for which the Board has applied or has received;
- ? in furtherance of established Board protocol for accomplishing established job requirements, such as One Call inspections pursuant to the Underground Facility Protection Program, enforcement visits pursuant to the Gas Pipeline Safety Program, meetings required for Domestic Security Duties, Clean Energy Council Meetings and related sub-committee meetings pursuant to Administration and Fund Management for the Clean Energy Program, see Board Order Docket no. EO 02120955; and
- ? when an employee is acting in place and stead of the Board President, at her request, when attending the various Task Force meetings of which the President is a member, i.e. the Homeland Security Domestic Security and Preparedness Act and Task Force.

In no event are the above exceptions valid, when the event includes a meal in the course of the event.

d. Multiple Board Employees Attending One Event

When the Board President or a Senior Staff member determines that the attendance of multiple employees at one event is in the best interest of the State and the Board, it is recommended but not required, that the Board President or Senior Staff Member have prepared for the Ethics Liaison Officer's review one Ethics Event Attendance Form attaching a list of the names of all employees who are requesting to attend the event. The form should then be signed by the President, Senior Staff member or the highest ranking member of the group of employees seeking to attend. The form will be returned to the preparer of the form whose responsibility it will be to inform all employees listed of the Ethics Liaison Officer's determination.

e. Scheduled Multiple or Repeating Events related to a Specific Committee or Task Force.

When a Commissioner or Board employee has been appointed to participate on a committee or assigned to handle a specific file or account that requires attendance at multiple events that require an Ethics Event Attendance Approval Form to be filed under the BPU Code of Ethics, it is recommended, but not required, that the Commissioner or Board employee submit one Ethics Event Attendance Approval Form outlining the specific committee or assignment and attaching a schedule of the planned meetings or if the event dates have not been set, a list identifying the number of meetings and frequency of their occurrence, a general description and the attendees to request a blanket approval. If the Commissioner or Board employee is granted a blanket approval by the Ethics Liaison Officer, there will remain a continuing obligation on the Commissioner or Board employee to update the Ethics Liaison Officer of any significant changes in either the event schedule or its participants.

3. Payment of Expenses-Generally

In general, if attendance at or participation in an event sponsored by an interested party is approved as described above, the State shall pay the reasonable expenses of a Commissioner or employee associated with such attendance or participation. [(N.J.A.C. 19:61-6.4(b))] In such cases, neither the State, nor the Commissioner, nor the employees shall receive any benefit, direct or indirect, from any other source. (N.J.A.C. 19:61-6.4(b)2)

4. Payment of Expenses - “Speaker Exception”

Where an event sponsored by an interested party is designed to provide training, dissemination of information, or the exchange of ideas and the Commissioner or employee is making a speech, participating in a panel at the event or he or she is an accompanying resource person for the speaker and/or panel participant, the limitations imposed above may not apply. That is, subject to the reasonable approval of the Board President’s ethics approval designee, the Board’s Ethics Liaison Officer, a Commissioner or employee may receive a direct or indirect benefit from the event sponsor. i.e., he or she may accept from the event sponsor, payment of any expenses associated with his or her attendance at or participation in the event. Finally, any approvals granted under this Paragraph shall be forwarded to the Executive Commission on Ethical Standards (ECES) for review.

The direct or indirect benefit provided to the Commissioner or Board employee by the sponsor of the event may include the following:

- a. Reimbursement or payment of actual and reasonable expenses for travel or subsistence and allowable entertainment expenses associated with attending an event in New Jersey if expenditures for travel or subsistence and entertainment expenses are not paid for by the State of New Jersey.

- b. Reimbursement or payment of actual and reasonable expenditures for travel or subsistence outside New Jersey, not to exceed \$500.00 per trip, if expenditures are not paid for by the State of New Jersey. The \$500.00 per trip limitation shall not apply if the reimbursement or payment is made by:
 - i. A nonprofit organization of which the Commissioner or Board employee is, at the time of reimbursement or payment, an active member as a result of the payment of a fee or charge for membership to the organization by the State; or
 - ii. A nonprofit organization that does not contract with the State to provide goods, materials, equipment, or services. [(N.J.A.C. 19-61-6.4 (c))]

5. Actual or Appearance of a Conflict of Interest

If an actual conflict or the appearance of a conflict could arise under the application of (4) above, (3) shall govern. [(N.J.A.C. 19:61-6.4(e))]

6. Use of Personal Funds

A Commissioner or Board employee may pay his or her own expenses with his or her personal funds. (N.J.A.C. 19:61-6.4(f))

7. Prohibition Against the Acceptance of Honoraria or Fees

Notwithstanding the above, a Commissioner or Board employee shall not accept an honorarium or fee for a speech or presentation made at an event sponsored by any public utility (or any representative thereof), any other entity regulated by the Board (or any representative thereof), or any other interested party (or any representative thereof), doing business with the Board, contemplating doing business with the Board, or whose conduct of business with the Board can be reasonably anticipated. (N.J.A.C. 19:61-6.4(g))

8. Procedure for filing approvals

All approvals granted under (3 4) above must be forwarded to the Executive Commission on Ethical Standards for review. All Ethics Event Attendance Approval Forms will be kept on file by the Ethics Liaison Officer.

B. Events Sponsored by Entities Other Than Interested Parties

1. Prior Written Approval Required

A Commissioner or Board employee wishing to attend or participate in an event sponsored by an entity *other than* an interested party on state time, shall complete, date, sign and submit to the Ethics Liaison Officer an Ethics Event Attendance Approval Form prior to the event. (*N.J.A.C. 19:61-6.5(a)*) Such Ethics Event Attendance Approval Forms shall be reviewed by the Ethics Liaison Officer to ensure that attendance at or participation in the event by a Commissioner or Board employee does not create a conflict of interest or the appearance of a conflict of interest. Forms approved, signed and dated by the Ethics Liaison Officer shall be forwarded to the Chief Counsel (or his or her designee) for final review and counter-signature before they are returned to the Commissioner or Board employee who prepared the form.

2. Payment of Expenses

At the discretion of the President of the Board, the State may pay the reasonable expenses of a Commissioner or Board employee associated with his or her attendance at or participation in an event sponsored by an entity other than an interested party or the Commissioner or Board employee may be permitted to accept a direct or indirect benefit for such attendance or participation. However, in no case shall a Commissioner or Board employee be permitted to accept a direct or indirect benefit from an interested party offered to facilitate the Commissioner's or employee's attendance at an event sponsored by an entity other than an interested party. Direct or indirect benefits may include the following:

- a. Reimbursement or payment of actual and reasonable expenses for travel or subsistence and allowable entertainment expenses associated with attending an event in New Jersey if expenditures for travel or subsistence and entertainment expenses are not paid for by the State of New Jersey.
- b. Reimbursement or payment of actual and reasonable expenditures for travel or subsistence outside New Jersey, not to exceed \$500.00 per trip, if expenditures are not paid for by the State of New Jersey. The \$500.00 per trip limitation shall not apply if the reimbursement or payment is made by:
 - i. A nonprofit organization of which the Commissioner or Board employee is, at the time of reimbursement or payment, an active member as a result of the payment of a fee or charge for membership to the organization by the State; or
 - ii. A nonprofit organization that does not contract with the State to provide goods, materials, equipment, or services.
- c. An interested party shall not provide a direct or indirect benefit to the Commissioner or

Board employee in order to facilitate his or her attendance.

3. Acceptance of Honoraria or Fees

Pursuant to N.J.S.A. 48:2-1 no cabinet level appointee shall accept any compensation other than that paid to him or her by the State in the performance of his or her official duties. A Commissioner or Board employee making a speech or presentation at **any** event shall not accept an honorarium or fee from the sponsor. [N.J.A.C. 19:61-6.5(d)]

4. Use of Official Title for Fundraising

In no case shall a Commissioner or Board employee permit his or her official title to be used for the purpose of fundraising for a private organization. (N.J.A.C. 19:61-6.6)

5. Entertainment Collateral to the Event

Under no circumstances shall a Commissioner or Board employee accept entertainment collateral to the event, such as golf outings or meals, other than in a group setting with all other attendees or accept reimbursement of the cost therefore. In all such cases, if the Commissioner or Board employee attends, he or she shall be personally responsible for the expenses associated with the collateral activity. (N.J.A.C. 19:61-6.5(e))

IV. GIFTS

A. General Prohibition Against Acceptance of “Gifts”

Pursuant to N.J.S.A. 52:13D-14, 13D-23(e) and 13D-24, Commissioners and Board employees of the Board of Public Utilities or members of his or her family are prohibited from accepting, directly or indirectly, anything of value offered by any public utility (or any representative thereof), any other entity regulated by the Board (or any representative thereof), or any other interested party (or any representative thereof) with the intent to influence the Commissioner or Board employee, or which may be reasonably construed as an attempt to influence the Commissioner or Board employee, or which reasonably presents the appearance of a conflict of interest.

B. Disclosure of Solicitation, Offer or Receipt of Thing of Value Required

1. From an interested Party

- a. A Commissioner or Board employee shall not solicit or accept, directly or indirectly, any thing of value from an interested party.

b. A Commissioner or Board employee must disclose and remit to his or her Division Director for forwarding to the Ethics Liaison Officer, or to the Ethics Liaison Officer directly, any offer or receipt of any thing of value from an interested party.

c. The Ethics Liaison Officer shall return the thing of value to the donor or, in the case of a perishable thing of value, transfer it to an appropriate nonprofit entity in the name of the donor.

d. A Commissioner or Board employee may retain and use unsolicited gifts or benefits of trivial value, such as complimentary articles offered to the general public, and gifts received as a result of a mass advertising mailing to the general business public if such use does not create an impression or a conflict of interest or a violation of the public trust. An impression of a conflict may be created, for example, if a Commissioner or Board employee uses a pocket calendar conspicuously marked with the name of a regulated company or if a Commissioner or Board employee displays a wall calendar in the office from a vendor, creating the impression of endorsement. If circumstances exist which create a reasonable doubt as to the intention with which the gift or benefit was offered, then (c) shall govern. (*N.J.A.C.* 19:61-6.9)

e. The Ethics Liaison Officer shall keep records of all such occurrences, names of the Commissioner or Board employee, individuals and companies involved, and the final disposition of the thing of value.

2. From an Entity other than an Interested Party

a. A Commissioner or Board employee must disclose to his or her Division Director and the Board Ethics Liaison Officer any offer or receipt of a thing of value from an entity other than an interested party.

b. The Ethics Liaison Officer shall determine whether the thing of value was given or offered with the intent to influence or reward the performance of public duties and responsibilities of the Commissioner or of the Board employee; or whether it may be reasonably inferred to have been given or offered with the intent to influence the performance of his or her public duties and responsibilities; or whether the use of the item will create an impression of a conflict of interest or violation of the public trust. The Ethics Liaison Officer shall also determine whether the thing of value is offered by a lobbyist or governmental affairs agent, as defined in *N.J.S.A.* 52:13C-18, and whether its acceptance by a Commissioner or Board employee will exceed the calendar year limit of \$250.00 established by *N.J.S.A.* 52:13D-24.1.

c. Upon a determination that there was an intent to influence or it could be reasonably inferred that there was an intent to influence the performance of the recipient's public duties and responsibilities, or that the use of the item will create an impression of a conflict or violation of the public trust, the Ethics Liaison Officer shall return the thing of value to the donor or, in the case of a perishable

thing of value, transfer it to an appropriate nonprofit entity in the name of the donor.

d. Upon a determination that a Board Commissioner or employee may accept a thing of value from an entity other than an interested party, the Ethics Liaison Officer shall so notify the Commissioner or Board employee and the President. Such notification shall include an indication of whether the Commissioner or Board employee, in accepting the thing of value, has exceeded the \$250.00 calendar year limit with respect to a lobbyist or governmental affairs agent.

e. A Commissioner or Board Employee or the Board may retain and use unsolicited gifts or benefits of trivial or nominal value, such as complimentary articles offered to the public in general, and gifts received as a result of mass advertising mailings to the general business public if such use does not create an impression of a conflict of interest or in violation of the public trust. An impression of a conflict may be created, if a Commissioner or Board employee uses a pocket calendar conspicuously marked with the name of a regulated company or if Commissioner or Board employee displays a wall calendar in the office from a vendor, creating the impression of endorsement. If circumstances exist which create a reasonable doubt as to the intention with which the gift or benefit was offered, then (c) shall govern.

f. The Ethics Liaison Officer shall keep records of all such occurrences, names of the Commissioner or Board employee, individuals and companies involved, and the final disposition of the thing of value.

C. Beverages and Entertainment

Of particular note, acceptance of alcoholic beverages or entertainment from any public utility (or any representative thereof), any other entity regulated by the Board (or any representative thereof), or any other interested party (or any representative thereof), doing business with the Board, contemplating doing business with the Board, or whose conduct of business with the Board can be reasonably anticipated, is specifically prohibited. This includes holiday parties, open houses or any social function.

This, however, does not include nominal refreshments such as non-alcoholic beverages and snacks, cheese and crackers, doughnuts, cookies, pastries served to a group at a meeting.

D. Retirement Gifts

1. General Limitations

The collection of funds for a gift for a retiring Commissioner or Board employee is generally permitted. However, contributions must be (1) voluntary and (2) limited to either (a) \$5.00 per contributor, with no maximum value set for the cost of the gift, or (b) no maximum per individual

contributor, with a \$1,000.00 maximum total value for the gift.

2. Donations to Tax-Exempt Organizations

If it is decided that the retirement gift will be given in the form of a donation to a 501 (c)(3) tax-exempt organization (as defined by the IRS Code) no limit shall be placed on either the amount to be contributed by an individual or on the total amount to be donated. In such cases, the person or persons organizing the collection activity shall provide the Board's Ethics Liaison Officer with a description of the organization to receive the donation, the total amount collected, documentation showing the total amount donated and documentation supporting the tax-exempt status of the organization.

V. USE OF BOARD FACILITIES, PERSONNEL AND EQUIPMENT

Use of the Board's facilities, personnel or equipment for any purpose other than in connection with the performance of a Commissioner's or Board employee's duties is prohibited and shall be considered a violation of this Code.

VI. USE OF OFFICIAL POSITION OR INFORMATION

A. No Commissioner or Board employee shall willfully disclose to any person, whether or not for pecuniary gain, any information not generally available to a member of the public which he or she receives or acquires in the course and by reason of his or her official duties.

B. No Commissioner or employee shall use or attempt to use his official position to secure unwarranted privileges or advantages for himself or others.

VII. POST-EMPLOYMENT RESTRICTIONS

A. Continued Involvement in Board Matters After Employment

No Commissioner or Board employee, subsequent to his or her employment with the Board, shall appear before the Board to represent, negotiate on behalf of, or agree to represent, appear for or negotiate on behalf of, whether by him or herself, or through any partnership, firm or corporation in which he or she has an interest, or through any partner, officer or employee thereof, any person or party other than the State in connection with any case, proceeding, application, or other matter with respect to which the Commissioner or Board employee shall have made any investigation, rendered any ruling, given any opinion or been otherwise substantially and directly involved at any time during the course of his or her employment with the Board. (*N.J.S.A. 52:13D-17*)

B. Appearance Before the Board as a Representative or Expert Witness (*N.J.S.A.* 14:1-3.3)

1. Matters in Which Former Commissioner or Employee was Previously Active

No former Commissioner or Board employee shall appear before the Board in a representative capacity or as an expert witness on behalf of other parties in any matter at any time within six months after severing his or her association with the Board nor may he or she appear after the six month period in any proceeding wherein he or she previously took an active part when associated with the Board, absent written permission of the Board. (*N.J.A.C.* 14:1-3.3)

2. Other Matters

As regards to matters in which a former Commissioner or Board employee took no active part, a former Commissioner or Board employee shall not appear before the Board in a representative capacity or as an expert witness on behalf of other parties for a period of six months after severing his or her association with the Board.

VIII. SECONDARY EMPLOYMENT

A. General Restrictions on Secondary Employment

1. Commissioners

The Commissioners of the Board shall devote their entire time to the duties of the Board and shall not engage in any other occupation, profession or gainful employment. [(*N.J.S.A.* 48:2-1b)]

2. Employees

Employees of the Board are permitted to engage in outside employment. Notwithstanding, no Board employee shall undertake any secondary employment or service, whether with or without compensation, which might reasonably affect the proper discharge of his or her official duties or which might present a conflict of time or a conflict of interest. [*N.J.S.A.* 52:13D-23]

3. Commissioners or Employees

No member or Board employee shall have any official or professional relation or connection with, or hold any stock or securities in, any public utility operating within this state, or hold any other office of profit or trust under the government of this State or of the United States. (*N.J.S.A.* 48:2-8)

B. Annual Reporting Requirement

1. Commissioners

While the Commissioners of the Board are prohibited by statute from engaging in employment other than with the Board, Commissioners must report if they are an officer or board member of any professional, charitable, educational, trade or other non-profit organization on the Board's Outside Activity Disclosure form.

2. Employees of the Board

Annually, each Board employee shall complete an Activity Disclosure form identifying any outside activities or businesses or if they hold an Outside officer position in any professional, charitable, educational, trade, or other non-profit organization in which he/she is involved, whether with or without compensation. [(*N.J.A.C.* 19:61.2.2)] Part-time employment in retail merchandising, food sales or day care facility operations are excepted from this reporting requirement. A form must be filed by each employee indicating that they do or do not hold a position other than with the Board. If a change in employment status occurs within the year, it is the obligation of the employee to update his/her Outside Activity Disclosure form.

C. Special Reporting Requirements for Employees of the Board Engaged in Businesses, Professions, Trades and Occupations Regulated by the State

Any Board employee who engages in a business, trade, occupation or profession which is subject to licensing or regulation by an agency of the State of New Jersey shall file notice of such activity with the Ethics Liaison Officer who shall report same to the Executive Commission on Ethical Standards. The Outside Activity Disclosure form provides an opportunity for each employee to provide such notice.

IX. OUTSIDE INTERESTS AND ACTIVITIES AND ACCEPTANCE OF COMPENSATION FOR PUBLISHED WORKS

A. General Prohibition Against Outside Interests/Associations

1. Creating Conflicts

No Commissioner or Board employee shall have any interest, financial or otherwise, direct or indirect, or engage in any business transaction or professional activity, which conflicts with or presents the appearance of a conflict with the proper discharge of his or her official duties.

2. Prohibition against contractual relationships between Board Supervisory personnel and their employees

No Commissioner, Senior Staff member, Division Director, Division Assistant Director, Deputy Director or Bureau Chief may enter into or maintain any personal contractual or business relationships with another officer or employee of the Board over whom that Commissioner, Senior Staff member, Division Director, Division Assistant Director, Deputy Director or Bureau Chief has a direct chain of command relationship. *N.J.A.C. 19:61-2.2 (d)*.

B. Interests in and Dealings with Public Utilities and Other Regulated Entities

1. General Prohibition

No Commissioner or Board employee shall have any interest in any dealings or transactions in any capacity with a public utility, any other entity regulated by the Board or any other interested party, except as required in the strict performance of his or her official duties.

2. Exception for Personal Essential Services

Nothing in this section shall preclude a Commissioner or Board employee from dealing or transacting in business with any such public utility, other entity regulated by the Board or interested party, when such activity is required in the ordinary course of arranging for, receiving, or discontinuing the delivery of essential services (i.e. for the purposes of this Code, identified as: electric, gas, water, sewer, telephone and cable television services) to the person or property of the Commissioner or Board employee.

3. Specific Prohibitions Against Financial Holdings

No Commissioner or Board employee nor his or her spouse or immediate family member shall hold securities or other financial interests in any public utility, any other entity regulated by the Board or any other interested party.

a. Divestiture Required

A Commissioner or Board employee, his or her spouse or immediate family member who possesses such an interest must divest him or herself of that interest and provide the Board's Ethics Liaison Officer with written evidence of such divestment within 60 days after commencing employment with the Board.

- i. Commissioners and employees of the Board shall receive a copy of a list of Prohibited Financial Transactions upon commencing their employment and shall acknowledge receipt of same by executing a written acknowledgment which shall be returned by the employee to the Ethics Liaison Officer. The Ethics Liaison Officer shall keep a copy of the acknowledgements on file.
- ii. The Prohibited Financial Transactions List will be available to the Commissioners and all Board employees on the Boards Intranet site.

b. Consideration of Blind Trust

Alternatively, and pursuant to the provisions of Executive Order # 10 (Governor James E. McGreevey) a Commissioner or Board employee, their spouse or immediate family member holding such an interest may consult with the Ethics Liaison Officer to explore the possibility of placing the subject interest in a blind trust. Such trust must receive the approval of the State's Executive Commission on Ethical Standards and must be constructed in a form approved by that body. Such trust may not be created in a natural person; the trustee of such blind trust must be a commercial entity. To ensure compliance with the requirements of this section, the Commissioner or Board employee wishing to establish a blind trust must work with the Ethics Liaison Officer to have the proposed form of trust reviewed and approved by the Commission prior to execution. No spouse or immediate family member shall act as a trustee under any blind trust agreement described herein.

4. Representation Before and Contracts with the State

a. General Restriction to Representation of State

No Commissioner or Board employee, or any partnership, firm or corporation in which he or she has an interest, or any partner, officer or employee of such partnership, firm or corporation, shall represent, appear for, negotiate on behalf of or agree to represent, appear for or negotiate on behalf of any person or party other than the State in connection with any cause, proceeding, application or other matter pending before any State agency. [N.J.S.A. 52:13D-16(b)]

b. Exceptions to General Restriction

- i. The above restrictions do not prohibit a Commissioner or Board employee from representing, appearing for or negotiating on behalf of, any person or party other

than the state including themselves in any matter:

- (1) pending before any court of record of the State of New Jersey;
- (2) regarding a claim for workers compensation under Chapter 15 of Title 34 of the revised statutes (*N.J.S.A.* 34:15);
- (3) connected with the determination or review of transfer inheritance or estate taxes;
- (4) connected with the filing of corporate or other documents in the Office of the Secretary of State;
- (5) before the Division of Civil Rights or any successor thereof;
- (6) before the New Jersey Board of Mediation or any successor thereof;
- (7) before the New Jersey Public Employment Relations Commission or any successor thereof;
- (8) before the Unsatisfied Claim and Judgment Fund Board or any successor thereof solely for the purpose of filing a notice of intention pursuant to P.L. 1952 c174 §5 (C.39:6-65) and
- (9) before any State agency on behalf of a county, municipality or school district or any authority, agency, commission of any thereof except where the State is an adverse party in the proceeding and provided the Commissioner or Board employee is not holding any office or employment in the State agency in which any such proceeding is pending.

5. Political Activities

a. Use of Official Position and Authority Restricted

No Commissioner or Board employee shall use his or her official position or authority to influence or control, in any manner whatsoever, either directly or indirectly, another person's right to vote for the political candidates of his or her choosing, or to contribute or refuse to contribute to political parties or candidates.

b. Candidacy for Elected Office

Neither Commissioner nor any Board employee whose principal employment is in connection with an activity which is financed in whole or in part by loans or grants made by the federal government shall be a candidate in any party or political election.

5 U.S.C. 1501 et. seq.

6. Casino-Related Restriction

a. General Restriction

Pursuant to *N.J.S.A. 52:13D-17.2b*, no Commissioner or Board employee, nor any member of the immediate family nor any member of any partnership, firm or corporation with which any Commissioner or Board employee is associated or in which he or she has an interest, nor any partner, officer, director or employee while he or she is associated with such partnership, firm or corporation shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application or matter.

b. Limited Special Exception to General Prohibition

This prohibition shall not apply to a Commissioner or Board employee other than those subject to financial disclosure requirements set forth by Executive Order or law and a member of the immediate family of a state officer or employee, may hold employment with the holder of or an applicant for a casino license if deemed appropriate by the Executive Commission or Ethical Standards or the Supreme Court.

c. Post Employment Restriction

No Commissioner or Board employee subject to the requirements of financial disclosure, any member of his or her immediate family, any partnership, firm or corporation with which such person is associated or in which he or she has an interest, nor any partner, officer, director, or employee of such partnership, firm or corporation, shall, within two years subsequent to the Commissioner's office or Board employee's employment, hold, directly or indirectly, any interest in or hold employment with or represent, appear for or negotiate on behalf of, any holder of, or applicant for a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activities.

d. Acceptance of Complimentary Service or Discounts

No Commissioner or Board employee subject to the requirements of financial disclosure pursuant to Executive Order shall solicit or accept, directly, or indirectly, any complimentary service or discount from any casino applicant or licensee which he or she knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstances.

e. Casino-Related Penalties

Pursuant to *N.J.S.A. 53:13D-17.2(h)*, any person who willfully violates the casino related restrictions of this Code is a disorderly person and shall be subject to a fine not to exceed \$500.00 or imprisonment not to exceed six months, or both.

7. Acceptance of Compensation for Published Works

a. Publications

A Commissioner or Board employee who plans to publish work(s) related to his or her employ or alternatively, not created as part of his or her official duties, should report this activity to the Ethics Liaison Officer to determine whether or not this activity is in conformance with the New Jersey Conflicts of Interest Law, *N.J.A.C.* 19:61-6.6, *N.J.S.A.* 48:2-1, and other applicable law, including any relevant Executive Order.

i. Prior Written Notice Required

Before agreeing to undertake such activity, a Commissioner or Board employee shall provide written notice to the Board's Ethics Liaison Officer. Such notice shall include, but shall not necessarily be limited to, a detailed description of the proposed article or other writing to be published, the identification of the proposed publisher of and publication in which the writing will appear, an indication as to whether or not compensation will be received, ~~and~~ if compensation is to be paid, the amount of same, whether or not the publication is work related, whether or not compensation is being offered by an interested party and whether the publication is being prepared on work time.